

PUBLIC EMPLOYEES' RETIREMENT SYSTEM
PERFORMANCE REPORT FOR OCTOBER 2001

12/5/2001

	Assets as of October 31, 2001			*RATES OF TOTAL RETURN						
	EMV \$(000)	Actual Alloc	Policy Alloc	Month Ended (preliminary) Oct-01	Sep-01	Quarter Ended Jun-01 Mar-01 Dec-00			2002 FYTD	YR Ended 6/30/2001
LARGE CAP EQUITY										
Structured Growth										
Alliance Capital Management	21,212	1.9%	2.3%	5.52%	-20.69%	10.03%	-20.32%	-16.57%	-16.31%	-28.08%
RUSSELL 1000 GROWTH				5.25%	-19.41%	8.42%	-20.90%	-21.35%	-15.18%	-36.18%
Structured Value										
LSV	25,670	2.4%	2.3%	-1.82%	-8.79%	8.10%	-0.19%	7.21%	-10.45%	28.93%
RUSSELL 1000 VALUE				-0.86%	-10.95%	4.88%	-5.86%	3.60%	-11.72%	3.84%
Enhanced S&P Index (1)										
Northern Trust Global Investments	43,987	4.0%	4.5%	1.81%	-14.35%	5.69%	-11.46%	-8.41%	-12.80%	N/A
Strong Capital	44,666	4.1%	4.5%	1.77%	-15.98%	3.71%	-9.66%	-7.84%	-14.49%	N/A
Westridge Capital	50,461	4.6%	4.5%	2.02%	-14.60%	5.60%	-10.86%	-7.16%	-12.87%	N/A
Total Enhanced S&P Index	139,113	12.8%	13.5%	1.88%	-14.96%	5.02%	-11.43%	-7.79%	-13.36%	N/A
S&P 500				1.91%	-14.68%	5.85%	-11.86%	-7.82%	-13.05%	N/A
Enhanced Russell 1000 Index (1)										
Wilshire	44,594	4.1%	4.5%	1.65%	-15.41%	6.52%	-12.21%	-7.99%	-14.01%	N/A
RUSSELL 1000				2.08%	-15.23%	6.31%	-12.57%	-9.15%	-13.47%	N/A
S&P 500 Index										
State Street - S&P 500 Index	76,133	7.0%	7.5%	1.91%	-14.68%	5.85%	-11.86%	-7.79%	-13.05%	-14.75%
S&P 500				1.91%	-14.68%	5.85%	-11.86%	-7.82%	-13.05%	-14.83%
TOTAL LARGE CAP EQUITY	306,722	28.1%	30.0%	1.77%	-14.80%	6.06%	-11.10%	-7.37%	-13.29%	-11.52%
S&P 500				1.91%	-14.68%	5.85%	-11.86%	-7.82%	-13.05%	-14.83%
SMALL CAP EQUITY (2)										
SEI	84,027	7.7%	8.0%	4.60%	-20.04%	N/A	N/A	N/A	-16.36%	N/A
RUSSELL 2000 + 200 bp				6.02%	-20.29%	14.79%	N/A	N/A	-15.49%	N/A
TOTAL SMALL CAP EQUITY	84,027	7.7%	8.0%	4.60%	-20.02%	-5.80%	-6.44%	-8.28%	-16.34%	1.69%
RUSSELL 2000				5.85%	-20.79%	14.29%	-6.51%	-6.91%	-16.15%	0.57%
INTERNATIONAL EQUITY										
Intl Core										
State Street	42,656	3.9%	4.0%	2.59%	-15.06%	0.60%	-10.23%	-3.17%	-12.86%	-17.93%
MSCI 50% HEDGED EAFE INDEX				3.19%	-16.41%	0.15%	-10.44%	-3.47%	-13.74%	-17.95%
Intl Active										
Capital Guardian	41,869	3.8%	4.0%	4.98%	-17.26%	0.85%	-9.61%	-6.11%	-13.14%	-20.14%
MSCI 50% HEDGED EAFE INDEX				3.19%	-16.41%	0.15%	-10.44%	-3.47%	-13.74%	-17.95%
TOTAL INTERNATIONAL EQUITY	84,525	7.8%	8.0%	3.77%	-16.14%	0.72%	-9.66%	-4.64%	-12.98%	-18.81%
MSCI 50% HEDGED EAFE INDEX				3.19%	-16.41%	0.15%	-10.44%	-3.47%	-13.74%	-17.95%
EMERGING MARKETS										
Value - Active - Commingled										
Capital Guardian	45,099	4.1%	5.0%	7.27%	-24.96%	6.98%	-7.44%	-16.15%	-19.50%	-29.31%
MSCI EMERGING MKTS FREE INDEX				6.21%	-21.60%	3.90%	-5.46%	-13.32%	-16.73%	-25.93%
DOMESTIC FIXED INCOME										
Core Bond										
Western Asset	59,930	5.5%	4.6%	2.73%	4.75%	1.37%	3.64%	4.08%	7.61%	13.40%
LB AGGREGATE				2.09%	4.61%	0.56%	3.03%	4.21%	6.80%	11.22%
Active Duration										
Criterion	57,902	5.3%	4.6%	2.12%	3.28%	0.67%	2.67%	5.23%	5.47%	12.34%
LB AGGREGATE				2.09%	4.61%	0.56%	3.03%	4.21%	6.80%	11.22%
Index										
Bank of North Dakota	71,436	6.6%		2.57%	5.01%	0.04%	3.29%	4.60%	7.71%	11.04%
BND (Match Loan Program)	14,580	1.3%		0.49%	1.43%	1.45%	1.43%	1.44%	1.93%	5.89%
Total Bank of North Dakota	86,016	7.9%	7.0%	2.10%	4.19%	0.37%	2.83%	3.86%	6.38%	9.79%
LB GOV/CORP				2.54%	4.76%	0.30%	3.20%	4.37%	7.42%	11.13%

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				Oct-01	Sep-01	Jun-01	Mar-01	Dec-00		
Core										
Strong Capital	68,179	6.3%	4.6%	2.12%	4.04%	1.17%	4.74%	3.42%	6.25%	13.45%
LB BAA BOND INDEX				2.50%	3.59%	0.79%	0.59%	1.53%	6.18%	6.00%
Convertibles										
TCW	54,318	5.0%	4.6%	3.16%	-16.04%	4.87%	-9.69%	-13.21%	-13.39%	-13.58%
1ST BOSTON CONVERTIBLE INDEX				2.49%	-11.01%	4.12%	-6.24%	-12.31%	-8.79%	-11.87%
Timberland										
Wachovia	15,856	1.5%	2.6%	N/A	N/A	N/A	N/A	N/A	N/A	N/A
TOTAL DOM FIXED INCOME	342,201	31.4%	28.0%	2.39%	0.42%	1.55%	1.02%	0.61%	2.82%	6.87%
LB AGGREGATE				2.09%	4.61%	0.56%	3.03%	4.21%	6.80%	11.22%
HIGH YIELD BONDS										
Western Asset	56,960	5.2%	5.0%	2.30%	-4.41%	-1.75%	3.88%	-5.57%	-2.21%	-4.46%
LB HIGH YIELD BOND INDEX				2.47%	-4.23%	-2.29%	6.36%	-5.24%	-1.87%	-0.96%
INTERNATIONAL FIXED INCOME										
Intl Core										
Brinson	63,996	5.9%	5.0%	0.62%	7.80%	-2.51%	-5.37%	5.73%	8.47%	-7.58%
SALOMON NON-US GOV'T BOND				0.16%	7.75%	-1.97%	-4.90%	4.00%	7.92%	-7.43%
REAL ESTATE (3)										
JMB	943	0.1%		0.71%	2.13%	1.19%	0.18%	-1.38%	2.85%	1.92%
TCW	5	0.0%		-1.57%	-4.64%	-8.63%	8.33%	24.23%	-6.14%	25.25%
INVESCO	30,457	2.8%		3.51%	10.90%	2.09%	8.35%	1.22%	14.79%	13.52%
J.P. Morgan	27,802	2.5%		0.49%	1.47%	2.41%	1.91%	3.24%	1.96%	10.27%
TOTAL REAL ESTATE	59,207	5.4%	5.0%	2.20%	6.76%	2.22%	5.20%	2.17%	9.11%	11.92%
NCREIF PROPERTY INDEX				0.58%	1.75%	2.26%	2.28%	3.23%	2.34%	11.15%
PRIVATE EQUITY (3)										
Brinson IVCF II	402	0.0%		-6.67%	-18.72%	-1.37%	-14.27%	-10.21%	-24.14%	-32.28%
Coral Partners II	354	0.0%		-10.33%	-27.90%	9.90%	-25.07%	-15.47%	-35.34%	-49.84%
Coral Partners V	12,111	1.1%		-12.97%	-34.09%	-1.35%	-1.54%	23.35%	-42.64%	19.29%
Coral Partners Supplemental V	477	0.0%		N/A	N/A	N/A	N/A	N/A	N/A	N/A
Brinson 1998 Partnership Fund	2,464	0.2%		-1.18%	-3.49%	-11.40%	-7.87%	7.46%	-4.63%	-3.63%
Brinson 1999 Partnership Fund	3,156	0.3%		-0.44%	-1.32%	-7.40%	-5.26%	4.53%	-1.76%	-4.36%
Brinson 2000 Partnership Fund	3,901	0.4%		-0.17%	-0.50%	-2.89%	-1.42%	6.03%	-0.67%	2.74%
Brinson 2001 Partnership Fund	518	0.0%		-0.04%	-0.12%	1.13%	0.02%	N/A	-0.16%	N/A
Brinson 1999 Non-US Partnership Fund	1,010	0.1%		-0.66%	-1.98%	-3.16%	2.55%	-2.64%	-2.63%	2.24%
Brinson 2000 Non-US Partnership Fund	665	0.1%		-0.66%	-1.98%	-3.50%	-0.37%	-2.36%	-2.63%	-7.03%
Brinson 2001 Non-US Partnership Fund	321	0.0%		0.22%	0.66%	0.66%	N/A	N/A	0.88%	N/A
Brinson BVCF IV	6,101	0.6%		-3.89%	-11.21%	-3.31%	-3.49%	-5.23%	-14.66%	-11.46%
Hearthstone	2,787	0.3%		0.97%	2.94%	8.16%	0.00%	0.01%	3.94%	8.17%
TOTAL PRIVATE EQUITY	34,268	3.1%	5.0%	-5.73%	-16.22%	-2.20%	-3.01%	9.84%	-21.02%	2.62%
POST VENTURE CAPITAL INDEX				-13.66%	-35.63%	23.87%	-31.48%	-38.61%	-44.42%	-48.23%
CASH EQUIVALENTS										
TNT Short Term Extendable Portfolio	13,609	1.2%	1.0%	0.16%	1.03%	1.34%	1.27%	1.70%	1.19%	5.91%
90 DAY T-BILLS				0.26%	1.08%	1.12%	1.51%	1.63%	1.34%	5.90%
TOTAL FUND	1,090,613	100.0%	100.0%	2.26%	-8.33%	3.68%	-4.57%	-3.51%	-6.26%	-4.12%
POLICY TARGET BENCHMARK				1.67%	-8.68%	4.37%	-5.71%	-4.48%	-7.15%	-6.47%
TOTAL VALUE ADDED DUE TO										
Asset Mix				0.16%	2.00%	-0.33%	0.92%	0.99%	2.16%	2.01%
Active Management				0.42%	-1.58%	-0.33%	0.29%	0.02%	-1.17%	0.49%
Total Value Added				0.57%	0.41%	-0.66%	1.21%	1.01%	0.98%	2.50%

(1) Funded between July 25 and August 1, 2000.

(2) Brinson and Nicholas-Applegate were terminated and SEI hired May 18, 2001 with a transition of assets occurring during the month of June.

(3) Monthly returns estimated based on quarters' returns.

***NOTE:**

Monthly returns and market values are preliminary and subject to change.
Returns are net of investment management fees.